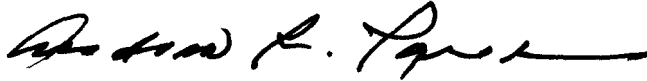


V. CONCLUSION.

The SkyTRENDS data shows that DTH services are beginning to make their mark on the video marketplace. The DBS providers have faced "effective competition" from both cable and other DBS companies from the moment they began offering their services. However, the cable industry has also taken note of the advances and has mounted its own campaign to maintain its marketplace position. In addition, cable does not face the dual competition which the satellite services must reckon with.

As a young industry, DBS has the tools of more program diversity and choice than any other MVPD, and digital video and audio transmissions, to bring consumers the highest quality video service available in the market today. DBS penetration, while continuing at a rapid pace, is still far from the level of cable. But the satellite industry must still overcome other, non-market, barriers to competition. The existing inequities in the copyright law, the resolution of the "white area" controversy, and the favorable adjudication of petitions under the

new zoning and covenant rules will all assist in creating a more balanced consumer marketplace and give DTH satellite the running room it needs to continue fulfilling its vast potential.



Andrew R. Paul, Senior Vice President
SATELLITE BROADCASTING AND
COMMUNICATIONS ASSOCIATION

Dated: July 21, 1997

APPENDIX A

TOTAL SUBSCRIBERS

	July 1, 1994	July 1, 1995	July 1, 1996	July 1, 1997
DBS	70,000	1,150,000	2,950,000	5,172,000
C-Band	1,922,808	2,321,349	2,336,933	2,184,472
Total	1,992,808	3,471,349	5,286,933	7,356,472

ANNUAL SUBSCRIBER GROWTH

		1994-1995	1995-1996	1996-1997
DBS	N/A	1,080,000	1,800,000	2,222,000
C-Band	N/A	398,541	15,584	-152,461
Total		1,478,541	1,815,584	2,069,539

SUBSCRIBER GROWTH RATE (%)

		1994-1995	1995-1996	1996-1997
DBS	N/A	1542%	156.5%	75.3%
C-Band	N/A	20.7%	.67%	-6.5%
Total		74.1%	52.3%	39.1%

SUBSCRIBER GROWTH PER DAY

	1994-1995	1995-1996	1996-1997
DBS	2,958/day	4,931/day	6,088/day

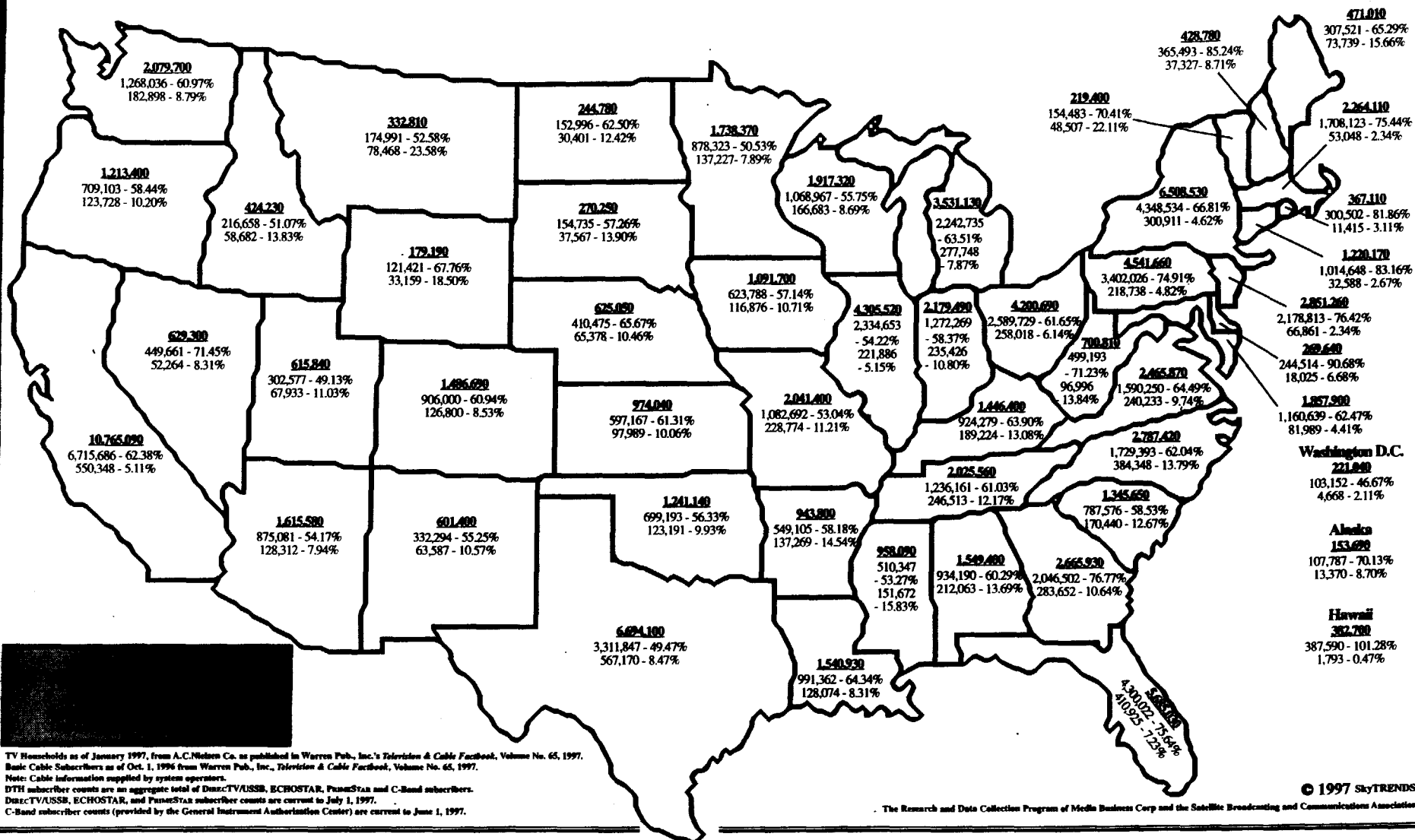
Home Satellite Subscribers By State

As of July 1, 1997

Data compiled by SkyTRENDS, a project of the Satellite Broadcasting and Communications Association and MEDIA BUSINESS CORP, with information provided by DIRECTV, EchoStar Communications Corporation, General Instrument Corporation, PRIMESTAR Partners and U.S. Satellite Broadcasting.

For more information contact the SBCA at 703/549-6990 or MEDIA BUSINESS CORP at 303/271-9960

Total DTH Subscribers By State July 1, 1997



TV Households as of January 1997, from A.C. Nielsen Co. as published in Warren Pub., Inc.'s *Television & Cable Factbook*, Volume No. 65, 1997.
 Basic Cable Subscribers as of Oct. 1, 1996 from Warren Pub., Inc., *Television & Cable Factbook*, Volume No. 65, 1997.
 Note: Cable information supplied by system operators.
 DTH subscriber counts are an aggregate total of DIRECTV/USSB, ECHOSTAR, PRIMESTAR and C-Band subscribers.
 DIRECTV/USSB, ECHOSTAR, and PRIMESTAR subscriber counts are current to July 1, 1997.
 C-Band subscriber counts (provided by the General Instrument Authorization Center) are current to June 1, 1997.

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 The Research and Data Collection Program of Media Business Corp and the Satellite Broadcasting and Communications Association

STATE	DTH SUBS JUL 1 1996	% of TV HH w/DTH	DTH SUBS JUL 1 1997	% OF TV HH w/DTH
Alabama	164,882	10.48%	212,063	13.69%
Alaska	10,738	6.97%	13,370	8.70%
Arizona	90,583	5.99%	128,312	7.94%
Arkansas	113,096	12.24%	137,269	14.54%
California	367,936	3.44%	550,348	5.11%
Colorado	86,811	8.07%	126,800	8.53%
Connecticut	22,913	1.89%	32,588	2.67%
D.C	2,486	1.09%	4,668	2.11%
Delaware	12,524	4.78%	18,025	6.68%
Florida	296,931	5.39%	410,925	7.23%
Georgia	219,239	8.52%	283,652	10.64%
Hawaii	1,795	0.47%	1,793	0.47%
Idaho	41,796	10.37%	58,682	13.83%
Illinois	149,290	3.49%	221,686	5.15%
Indiana	167,253	7.82%	235,426	10.80%
Iowa	82,684	7.84%	116,876	10.71%
Kansas	75,325	7.76%	97,989	10.06%
Kentucky	144,447	10.19%	189,224	13.08%
Louisiana	94,989	6.24%	128,074	8.31%
Maine	53,388	11.41%	73,739	15.66%
Maryland	54,635	2.99%	81,989	4.41%
Massachusetts	32,769	1.47%	53,048	2.34%
Michigan	181,791	5.21%	277,748	7.87%
Minnesota	95,584	5.56%	197,227	7.89%
Mississippi	127,274	13.65%	151,672	15.83%
Missouri	169,869	8.45%	226,774	11.21%
Montana	59,458	18.59%	78,468	23.56%
Nebraska	49,430	8.02%	65,378	10.46%
Nevada	35,375	6.36%	52,264	8.31%
New Hampshire	23,536	5.66%	37,327	8.71%
New Jersey	38,775	1.37%	66,881	2.34%
New Mexico	47,332	8.18%	63,587	10.57%
New York	211,482	3.22%	300,911	4.62%
North Carolina	274,664	10.23%	364,348	13.79%
North Dakota	22,112	9.13%	30,401	12.42%
Ohio	180,979	4.31%	258,018	6.14%
Oklahoma	101,179	8.20%	123,191	9.93%
Oregon	86,084	7.46%	123,728	10.20%
Pennsylvania	160,899	3.53%	218,738	4.82%
Rhode Island	6,319	1.68%	11,415	3.11%
South Carolina	131,119	9.84%	170,440	12.67%
South Dakota	29,401	10.96%	37,567	13.90%
Tennessee	199,969	10.20%	246,513	12.17%
Texas	427,654	6.61%	567,170	8.47%
Utah	42,865	7.32%	67,933	11.03%
Vermont	36,524	17.05%	48,507	22.11%
Virginia	169,966	7.04%	240,233	9.74%
Washington	119,683	5.93%	182,898	8.79%
West Virginia	78,356	11.26%	96,996	13.84%
Wisconsin	121,112	6.39%	166,683	8.69%
Wyoming	26,467	15.07%	33,159	18.50%

HOW TELEVISION RECEIVED PREVIOUS TO DTH
- Major Mentions -

		DURATION OF OWNERSHIP				LOCATION OF RESIDENCE	
	<u>Total</u>	<u>Under 1 Yr</u>	<u>1-Under 3 Yrs</u>	<u>3+ Yrs</u>	<u>Rural</u>	<u>Small Town</u>	<u>Sub- urban</u>
Base: Total Respondents	(1034) <u>%</u>	(426) <u>%</u>	(359) <u>%</u>	(245) <u>%</u>	(480) <u>%</u>	(238) <u>%</u>	(301) <u>%</u>
An Antenna	60	45	65	69	72	56	45
Cable	28	43	24	17	13	34	46
Large Dish	4	3	4	4	4	3	4
PrimeStar	1	3	1	-	2	2	-
<p><i>Q.: Just prior to getting your (DSS/LARGE DISH/PRIMESTAR/THE DISH NETWORK) satellite system, how did you receive television programming?</i></p>							

WHETHER CABLE TV AVAILABLE IN AREA

60

	<u>Large Dish</u>	<u>DSS</u>	<u>Primestar</u>	<u>Dish Network (250)</u>
Base: Total Respondents	(291)	(259)	(261)	
	<u>%</u>	<u>%</u>	<u>%</u>	<u>%</u>
<u>CABLE AVAILABLE</u>	<u>39</u>	<u>57</u>	<u>30</u>	<u>60</u>
At time dish attained	23	50	24	56
Currently (not when dish bought)	16	7	6	4
<u>NOT AVAILABLE</u>	<u>60</u>	<u>43</u>	<u>69</u>	<u>39</u>
Don't Know	1	1	1	1

* Less than 0.5%.

Q. : *Is cable television now available to your household? That is, could you subscribe to cable TV if you wanted to? Was cable TV available in your area at the time that you got your satellite dish?*

WHETHER CABLE TV AVAILABLE IN AREA

	LOCATION OF RESIDENCE			
	<u>Total</u> (1034) <u>%</u>	<u>Rural</u> (480) <u>%</u>	<u>Small Town</u> (238) <u>%</u>	<u>Sub-urban</u> (301) <u>%</u>
Base: Total Respondents				
<u>CABLE AVAILABLE</u>	<u>44</u>	<u>24</u>	<u>53</u>	<u>71</u>
At Time Dish Attained	35	16	41	61
Currently (Not When Dish Bought)	10	9	12	10
<u>NOT AVAILABLE</u>	<u>55</u>	<u>75</u>	<u>47</u>	<u>29</u>
Don't Know	1	1	*	1
*Less than 0.5%				
Q.: Is cable television now available to your household? That is, could you subscribe to cable TV if you wanted to? Was cable TV available in your area at the time that you got your satellite dish?				